Steps to check decline in exports

365. SHRI V. NARAYANASAMY: Will the Minister of COMMERCE be pleased to state·

(a) whether it is a fact that exports have registered a downward trend in the recent weeks; and

(b) if so, what are the reasons for the same and whether any corrective steps have been taken to increase the volume of exports?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM): (a) The trade figures are compiled on a monthly basis. There has been an increase in exports in recent months. The exports have increased from a level of Rs. 2573 crores in June 1991 to Rs. 3313 crores in July 1991. to Rs. 3441 crores in August 1991 and further to Rs. 3656 crores in September 1991.

(b) The reasons for low growth in exports is mainly accounted for by steep decline in exports to countries in Rupee Payment Area which was the result of deliberate policy to compress exports on account of difficulties being experienced by the USSR to supply necessary imports to India on account of dislocation in the Soviet Union. Other factors include decline in global output and exports, recession in major developed countries, depressed world prices for some of our agricultural products, import curbs imposed on account of critical Balance of Payments situation which affected out domestic production, and steep hike in interest rates on export credit.

The Government introduced a package of trade policy reforms aimed at strengthening of export incentives, eliminating substantial volume of import licensing and optimal import compression. REP licences have been replaced by a new instrument named Eximscrips. These will be the means of obtaining access to certain categories of imports of raw materials, components and spares. The system of advance licensing as an instrument of export promotion has also been strengthened. Government has decided to allow established exporters to open foreign currency accounts in approved banks and allow exporters to raise external credits, pay for export related imports from such accounts, and credit export proceeds to such accounts. Besides, Government have taken other steps which including reducing controls through licensing, simplification of procedures for exports, activisation of Board of Trade, bilateral discussion with selected countries, interaction with national organsations of trade and industry, etc.

Target of export oriented units and export processing zones

366. DR. YELAMANCHILI SIVAJI:
SHRI KAMAL MORARKA:
SHRI KRISHNA KUMAR BIRLA:

Will the Minister of COMMERCE be pleased to state:

(a) the total value of exports made by the 100 per cent export oriented units in Indian currency during the year 1988-89;

(b) what has been the performance of the 100 per cent export oriented units and Exports Processing Zones against the targets during last five years;

(c) whether Government have issued new guidelines for these unit recently; and

(d) if so, how these are going t improve their performance?

THE MINISTER OF STATE O THE MINISTRY OF COMMERC (SHRI P. CHIDAMBARAM): (a

The total value of exports made by the 100 per cent Export Oriented units during 1988-89 was Rs. 461 crores.

(b) The targets and export performance of the Export Processing Zones (EPZs) and the 10 per cent Export Oriented Units (100 per cent EOUs) during the last five years are given below:—

Rs. Crores (Rs. Crores)

	Export targets set for the period 1986-87 to 1990-91	Export Performance during 1986-87 to 1990-91,
EPZs	2838·50	2924·60
100%EOUs	—	2143·00+

(£Provisional)

Targets are not fixed for 100% Export Oriented Units.

(c) The "Revised Procedure of Applications under 100 per cent EOUs and EPZ Schemes" and "Delegation of some specific powers of Board of Approvals/Administrative Ministries to Development Commissioners of EPZs for 100 per cent EOUs and EPZ Units" have been released, along with certain other procedural simplification.

(d) With procedural simplification and delegation of powers, the units working under the two Schemes are expected to concentrate more on their own activities, to give better performance.

Price of F.C.V. Tobacco

367. DR. YELAMANCHILI SIVAJI: Will the Minister of COMMERCE be pleased to state:

(a) what is the minimum guarantee price of F.C.V. tobacco;

(b) how the same is calculated; and

(c) what steps are being taken to ensure the implementation of minimum guarantee price of F.C.V. tobacco?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM): (a) to (c) Minimum Guaranteed Price M.G.P.) for F.C.V. tobacco is the minimum price per kg. assured by the traders to the growers of F.C.V. tobacco. The MGP is fixed by the Tobacco Board every year after consulting the traders and growers. While fixing MGP, the Board takes into account the change in cost of production, domestic as well as export demand and the supply position, etc.

The Minimum Guaranteed Price per kg. for the current year in respect of Karnataka and Andhra Pradesh crops is as follows:

	Rs. P.	Rs. P.
Karnataka	19.91	Rs. 19.50
Andhra Pradesh	19.91	199.92
NLS	16.00	21.50
SLS	14.75	19.50
BS	13.50	18.50

(NOTE NLS: Northern Light Soils
SLS: Southern Light Soils
BS: Black Soils)

MGP is fixed through mutual consent between the traders and the